

Meeting of the Board
STATE PUBLIC SCHOOL BUILDING AUTHORITY
April 21, 2016
Room 515 North Office Building
Harrisburg, Pennsylvania
10:29 a.m. Prevailing Time

MINUTES

1. Call to Order, Filing of Proof of Sunshine Notice and of Sending Notice of the Meeting, Roll Call and Announcement of Quorum.
2. Approval of the Minutes of the Meeting of March 24, 2016.
3. Financial Reports for the Months of February & March 2016.
4. Revolving Loan Fund.
5. Approval of Projects.
 - A. Resolution Authorizing the Undertaking of a Project on Behalf of the Westmoreland County Community College.
6. Old Business.
 - A. Sovereign Immunity of the Authority.
7. New Business.
8. Adjournment.

1. CALL TO ORDER, FILING OF PROOF OF SUNSHINE NOTICE AND OF SENDING NOTICE OF THE MEETING, ROLL CALL AND ANNOUNCEMENT OF QUORUM.

With a quorum of the Board being present, the meeting of the Board of the State Public School Building Authority was called to order on Thursday, April 21, 2016 at 10:29 a.m. prevailing time, in Room 515 North Office Building, Harrisburg, Pennsylvania. The proof of the Sunshine advertisement and certification in regard to sending the notice of meeting is attached to these minutes and identified as Appendix "A".

Board Members Present

Steven Heuer, (Proxy for Governor Thomas W. Wolf)
Lisa Felix, (Proxy for Senator Andrew E. Dinniman)
Danielle Guyer, (Proxy for Representative Stanley E. Saylor)
Alan Cohn, (Proxy for Representative Anthony M. DeLuca)
Jennifer Langan, (Proxy for Treasurer Timothy A. Reese)
Christal Pike-Nase, (Proxy for Auditor General Eugene A. DePasquale)
Ernie Helling, (Proxy for Secretary of Education Pedro A. Rivera)

Board Members Participating by Conference Call

Secretary of General Services Curtis M. Topper

Board Members Absent

Senator Lloyd K. Smucker

Authority Personnel Present

Robert Baccon, Executive Director
Beverly Nawa, Administrative Officer
David Player, Comptroller

Also Present

William McCarty, Esquire, Barley Snyder LLP
Christopher Brewer, Esquire, Dinsmore & Shohl LLP
Joel Snavely, Director of Treasury, State System of Higher Education
Nilda Sather, Senior Treasury Accountant, State System of Higher Education

Participated Via Conference Call

Joseph Muscatello, Boenning & Scattergood, Inc.
Stephen Lippiello, Vice President, Administrative Services, Westmoreland County
Community College

2. APPROVAL OF THE MINUTES OF THE MEETING OF MARCH 24, 2016.

A copy of the minutes of the meeting of March 24, 2016, was distributed to the Board Members prior to this meeting. It is therefore recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the minutes of the SPSBA meeting of March 24, 2016, be and hereby are approved as presented.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of April 21, 2016.

3. FINANCIAL REPORTS FOR THE MONTHS OF FEBRUARY & MARCH 2016.

The Financial Reports for the months of February & March 2016 were emailed to Board Members prior to this meeting.

It is recommended that consideration be given to the adoption of the following Resolution:

RESOLVED That the Financial Reports of the State Public School Building Authority for the months of February & March 2016 as received by this Board, be accepted and filed with the minutes of this meeting.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion, the above Resolution was unanimously approved at the SPSBA Board Meeting of April 21, 2016.

4. REVOLVING LOAN FUND.

Mr. Baccon explained that we have one pending project. The Community College of Allegheny County has requested a loan for \$937,951 to replace computer equipment. We expect this loan to close by the end of the month.

5. APPROVAL OF PROJECTS.

A. Resolution Authorizing the Undertaking of a Project on Behalf of the Westmoreland County Community College.

Mr. Baccon explained that the Westmoreland County Community College has requested that we issue a maximum of \$52,000,000 in Revenue Bonds to finance certain capital projects of the College including: completion of the Latrobe Education Center; the construction of the new Student Center, renovations to Founders Hall and the Science Hall and Facilities Maintenance Projects. Proceeds will also be used for the current refunding of all or a portion of the Authority's Westmoreland County Community College Revenue Bonds, Series B of 2008.

Boenning & Scattergood will serve as Underwriter. After completing an RFP and at the request of the College, the Office of General Counsel has appointed Dinsmore & Shohl as the Bond Counsel.

The Resolution in your agenda approves all of the actions necessary in connection with the issuance of the Bonds.

Christopher Brewer, Esquire of Dinsmore & Shohl is in attendance and Joseph Muscatello, of Boenning & Scattergood and Stephen Lippiello, Vice President, Administrative Services of the College are participating by conference call to answer questions.

Chairperson Heuer asked if there were any questions or comments, and hearing none, he asked for a motion to approve the project.

**RESOLUTION OF THE
STATE PUBLIC SCHOOL BUILDING AUTHORITY
AUTHORIZING THE
UNDERTAKING OF A PROJECT ON BEHALF OF THE
WESTMORELAND COUNTY COMMUNITY COLLEGE**

DOCKET NO. 2445

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The State Public School Building Authority (the "Authority") shall undertake the financing of a project (the "Project") for the benefit of the Westmoreland County Community College (the "College") consisting of: (a) (i) the completion of the acquisition, construction and equipping of facilities for the College's WCCC Latrobe Education Center; along with (ii) the acquisition, construction and equipping of appropriate components of the College's Capital Plan, including, but not limited to, construction of the new Student Center, renovations to Founders Hall and the Science Hall and Facilities Maintenance Projects; b) the current refunding, in part or in whole, of the Authority's outstanding College Revenue Bonds (Westmoreland County Community College Project), Series B of 2008 (the "Prior Bonds"), and (c) the payment of capitalized interest (if any) and the costs and expenses of issuing and obtaining credit enhancement (if any) for the Bonds (defined below). As may be requested by the College, the Executive Director of the Authority shall have the power to add, delete or substitute any component of the Project but only to the extent permitted by The State Public School Building Authority Act of 1947, as amended, the Pennsylvania Department of Education, and any applicable Federal income tax laws.

2. In order to finance the Project, the Authority will enter into an appropriate trust indenture or supplemental trust indenture (herein referred to as the "Indenture") with the Trustee herein appointed, and shall issue up to \$52,000,000 in aggregate principal amount of revenue bonds in one or more series (which may be issued on the same or different dates, and which may be either tax-exempt or taxable bonds) to be designated substantially as the "State Public School Building Authority College Revenue Bonds (Westmoreland County Community College Project)" with an appropriate series designation (such bonds being herein referred to as the "Bonds"). The Bonds shall have a term not to exceed 30 years from the date of their issuance and delivery and shall bear interest at fixed or variable rates acceptable to the College, shall mature in such principal amounts and at such times, and shall be subject to redemption, all as approved by the Executive Director in consultation with the College and as further provided in a Bond Purchase Agreement hereinafter described.

In the event the College requests that the Bonds of any series bear a variable rate rather than a fixed rate of interest, the Executive Director of the Authority is hereby authorized to approve the initial interest rate to be borne by such Bonds, the variable interest rate formula to be used in determining interest due on the Bonds thereafter, and the maximum rate of interest that may be borne by the Bonds (which maximum rate shall not exceed the maximum rate permitted by applicable law) and to appoint an indexing agent, auction agent and/or

remarketing agent and to take such other action as may be required in connection with bonds bearing a variable interest rate.

The Bonds shall be issued in such denominations and form and with such terms as shall be set forth in the Indenture and approved by the Executive Director of the Authority. The execution of the Bonds with the manual or facsimile signature of the Governor of the Commonwealth of Pennsylvania, the President or any Vice President of the Authority, together with the official seal or a facsimile of the official seal of the Authority and the attestation thereof by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority, is hereby authorized. The Executive Director of the Authority is hereby authorized to deliver the Bonds to the Trustee under the Indenture for authentication, and to execute and deliver instructions to the Trustee to deliver the Bonds when so authenticated, on behalf of the Authority, to or upon the order of the purchaser thereof, against receipt of the purchase price together with any accrued interest, all in accordance with the requirements of the Indenture thereof.

3. The proceeds from the sale of the Bonds shall be loaned to the College pursuant to the terms of an appropriate loan agreement or supplemental loan agreement between the Authority and the College (herein referred to as the "Loan Agreement"), and shall be applied by the College for and toward the costs of the Project including: (a) the payment of the items of acquisition and construction included in the Project, (b) the refunding, in part or in whole, of the Prior Bonds, (c) the payment of the costs of issuance of the Bonds, including without limitation, printing costs, fees and expenses of bond counsel, the underwriter for the College, fees and expenses of the Trustee, and administrative costs and expenses of the College and the Authority, all upon submission of the proper documentation thereof, and (d) if applicable, the payment of the premium or other cost for credit enhancement or liquidity enhancement for the Bonds if determined to be advantageous by the College. The Authority is hereby authorized to assign and pledge the Loan Agreement and all revenues to be received by the Authority therefrom to the Trustee under the Indenture to secure the Bonds.

4. The President, any Vice President or the Executive Director is hereby authorized on behalf of the Authority to enter into an appropriate bond purchase agreement (the "Bond Purchase Agreement") with Boening & Scattergood, Inc. for the purchase of any series of the Bonds authorized hereunder in accordance with the terms of this Resolution, and the President, any Vice President, the Secretary or any Assistant Secretary, or the Executive Director of the Authority is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Authority and to take such further action as he or she deems necessary or advisable to carry out the obligations of the Authority thereunder.

5. The Authority does hereby authorize the execution and delivery of the following documents relating to the issuance of Bonds of any series authorized hereunder and the financing of the Project: the Indenture, the Loan Agreement, the Bond Purchase Agreement and any other documents required in connection with the issuance of the Bonds; the refunding and call for redemption of the Prior Bonds, any remarketing agreement, auction agent agreement and/or indexing agent agreement if any of the Bonds shall bear interest at a variable rate; any tax compliance or similar agreement with respect to any Bonds issued as tax-exempt bonds and any other document to which the Authority is a party and

which is required in connection with the financing of the Project; all in such form as shall be acceptable to Bond Counsel, the Attorney General of the Commonwealth, the Office of General Counsel, and Authority Counsel and as shall be approved by the Executive Director of the Authority.

6. The President, the Vice President and the Executive Director of the Authority are, and each of them hereby is, authorized to execute, acknowledge and deliver in the name and on behalf of the Authority, and the Secretary or Assistant Secretary are, and each of them hereby is, authorized to attest and affix the official seal of the Authority to each of the aforesaid documents. The execution of the aforesaid documents as hereinabove authorized shall be deemed to conclusively evidence the approval of the Authority of said documents.

7. Any preliminary official statement or final official statement which may be used in connection with the offer and sale of the Bonds shall be in such form as shall be approved, solely for the purpose of distribution, by the Executive Director of the Authority with the advice of Bond Counsel. The Executive Director is hereby authorized to execute any such preliminary official statement or final official statement in the name and on behalf of the Authority, and such execution by the Executive Director of the Authority shall constitute conclusive evidence of the Authority's approval of such documents solely for the purpose of distribution. The circulation and distribution of copies of any such documents in connection with the offer and sale of the Bonds is hereby authorized.

8. The Underwriter is hereby authorized to purchase the Bonds upon the terms and conditions hereof and contained in the Bond Purchase Agreement. The Bank of New York Mellon Trust Company, N.A. shall be and hereby is authorized to act as Trustee under the Indenture in connection with the issuance of the Bonds. At the request of the College, the Office of General Counsel has appointed Dinsmore & Shohl LLP as Bond Counsel for this issue.

9. The appropriate officers of the Authority are hereby authorized to take such further action and to execute and deliver in the name and on behalf of the Authority any and all other documents and certificates, in addition to those specified above, as they shall deem necessary or advisable in connection with the issuance of the Bonds and the implementation of this Resolution, including directing and providing for the redemption of the Prior Bonds as directed by the College.

10. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested (i) to authenticate and deliver the Bonds upon the request of the Executive Director of the Authority, (ii) to invest and reinvest all moneys which by the terms of the Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Indenture, all subject to the terms and limitations contained in the Indenture, and (iii) effect the redemption of the Prior Bonds as directed by the Authority and the College.

11. The appropriate officers of the Authority are, and each of them is, hereby authorized to execute and deliver in the name and on behalf of the Authority such other documents and to take such other action as they shall deem necessary in order to effectuate

the financing of the Project, the execution, delivery and receipt of the Indenture, the Loan Agreement, the Bond Purchase Agreement, and any continuing disclosure agreement, the distribution of a preliminary official statement and final official statement, and the issuance and sale of the Bonds, all in accordance with this Resolution.

12. The appropriate officers of the Authority, including the President, any Vice President and the Executive Director are, and each of them is, hereby authorized to approve, and to execute and deliver any supplement, amendment or agreement (an "Amendment") providing for any amendment or other change to any trust indenture, loan agreement, bond, instrument or other document executed and delivered with respect to the Bonds (collectively, the "Bond Documents") requested by the College and approved by all other necessary parties, provided that (a) the officer executing the Amendment shall have determined that the Amendment will not adversely affect the Authority, such determination to be conclusively evidenced by such officer's execution of the Amendment and (b) the Authority shall have received an opinion of counsel in form and substance satisfactory to the Authority that (i) the Amendment is permitted under the State Public School Building Authority Act, as amended, and the Bond Documents, and (ii) the Amendment will not adversely affect the excludability, if applicable, from gross income of interest on the Bonds for purposes of federal income taxation.

13. This Resolution shall take effect immediately upon its adoption, and all prior Resolutions or parts thereof inconsistent herewith are hereby repealed to the extent of such inconsistencies.

Upon **MOTION** by **Ms. Pike-Nase**, and **SECONDED** by **Mr. Helling**, and after full discussion the above Resolution was unanimously approved at the SPSBA Board Meeting of April 21, 2016.

EXHIBIT A

WESTMORELAND COUNTY COMMUNITY COLLEGE

<u>Docket No.</u>	<u>County</u>	<u>Project</u>	<u>Maximum Amount to be Financed</u>
2445	Westmoreland	Financing (a) (i) the completion of the College's WCCC Latrobe Education Center; (ii) the acquisition, construction and equipping of appropriate components of the College's Capital Plan, including, but not limited to, construction of the new Student Center, renovations to Founders Hall and the Science Hall and Facilities Maintenance Projects; (b) the current refunding, in part or in whole, of the Authority's outstanding College Revenue Bonds, (Westmoreland County Community College Project), Series B of 2008; and (c) the payment of capitalized interest (if any) and the costs and expenses of issuing the Bonds and obtaining credit enhancement (if any) for the Bonds.	\$52,000,000

Maximum Term: 30 years.

Interest Rate: Fixed.

Rating/Insurance: To Be Determined.

Bond Counsel: After completing an RFP and at the request of the Community College, the Office of General Counsel has appointed Dinsmore & Shohl LLP as Bond Counsel.

Trustee: The Bank of New York Mellon Trust Company, N.A.

Underwriter: Boenning & Scattergood, Inc.

Minority and/or Female Participation in this Financing: To be determined by the Community College in consultation with the Executive Director.

Approved at the SPSBA Board Meeting of April 21, 2016.

6. OLD BUSINESS.

A. Sovereign Immunity of the Authority.

Chairperson Heuer mentioned that at the last board meeting there was a question about Sovereign Immunity of the Authority. Board members should have received a letter regarding this issue. He opened the floor for discussion.

Ms. Langan thanked Mr. McCarty for the letter and for the interpretation. She believes that it is a question that is still out there and she believes that it is an issue that they needed to be updated on especially in light of the PHEAA decision. Obviously PHEAA is different than the Authority but that is what Christopher Craig was worried about because PHEAA was determined not to have sovereign immunity.

Ms. Pike-Nase said that the Fourth Circuit Court will not affect the Authority.

Mr. McCarty indicated that the Fourth Circuit's decision was not precedent as to the courts in Pennsylvania.

Mr. Cohn thanked the board and Mr. McCarty for his work on the letter.

Ms. Pike-Nase said that it was very well done.

Ms. Pike-Nase asked if there were any updates in terms of projects.

Mr. Baccon explained that the Harrisburg Area Community College is refunding our 2008 A bonds through the Lancaster Higher Education Authority. They will be paying an initial fee to the new authority of between \$10 and \$15 thousand and a small annual fee. It is our understanding that the college did this because they want the power of picking their own finance team. They will also have to contract for arbitrage rebate calculations that would normally be provided by us and we do not charge for that service.

Ms. Pike-Nase mentioned that HACC has been financing through the Authority for a long time.

Ms. Nawa indicated that 1990 was the first stand alone financing that HACC did through the Authority.

Ms. Felix asked if they could have gotten a better rate.

Mr. Baccon said that he did not know.

Mr. Baccon also noted that the Western Center for Technical Studies is refunding our 2008 bonds away from us. We do not know why they are doing this refunding. There may be reasons other than the RFP process.

Ms. Pike-Nase asked if there were other pending projects.

Mr. Baccon said that Saint Joseph's University is issuing an RFP for bond counsel, so we believe they will be coming to us with a bond issue.

Ms. Nawa said that the Community College of Allegheny County is also planning to issue through the Authority.

7. NEW BUSINESS.

Chairperson Heurer asked if there was any new business to come before the Board, and hearing none, he asked for a motion to adjourn.

8. ADJOURNMENT.

There being no further business to come before the Board at this time, upon **MOTION** by **Mr. Cohen**, and **SECONDED** by **Ms. Pike-Nase**, the SPSBA Board Meeting was adjourned at 10:38 a.m.

SUNSHINE ACT MEETING NOTICES THURSDAY, APRIL 14, 2016 IF

SUNSHINE ACT MEETING NOTICES

Thursday, April 14, 2016

If you need an accommodation due to a disability, please contact the ADA Contact name listed below.

The PA Task Force on Prostate Cancer and Related Chronic Prostate Conditions Meeting, 4/21/2016, 9:30 AM- 1:30 PM, Dixon Univ. Center, PA State System of Higher Ed/OOC, 2986 N. Second St., HBG., Contact: Sharon Sowers 547-3249

Cancelled, State Board of Barber Examiners Meeting, 4/18/2016, 9 AM, 2601 N. Third St., HBG., Contact: Nicole Thurstin 787-6604, Also CANCELLED: State Board of Pharmacy Meeting at 9 AM on 4/19/2016.

SPECIAL, State Public School Building Authority and PA Higher Educational Facilities Authority Meetings, 4/21/2016, 10:30 AM, Rm. 515, North Office Bldg., HBG., Contact: Bev Nawa 975-2204

PA Human Relations Commission Meeting, 4/25/2016, 1 PM, 333 Market St., 1st Fl. Honors Suite, HBG., Contact: Toni Crawford 783-8172

Rescheduled, Mining and Reclamation Advisory Board (MRAB) Meeting, 4/25/2016, 10 AM, RCSOB, Conf. Rm. 105, HBG., Contact: Daniel Snowden 783-8846

Cancelled, Small Water Systems TAC Board Meetings, 4/28/2016, 9 AM, Room 105, RCSOB, HBG., Contact: Christina Ackerman 787-9633, Also cancelled at 9 AM on 6/1/2016. RESCHEDULED at 9 AM on 6/23/2016 at Susquehanna Rm. Fish and Boat Commission Bldg., HBG.

Special Pharmaceutical Benefits Program (SPBP) Advisory Council Meeting, 4/28/2016, 10 AM - 3 PM, Radisson Hotel, 1150 Camp Hill Bypass, Camp Hill, Contact: John Haines 800-922-9384

Cancelled, DEP, Climate Change Advisory Committee Meeting, 5/3/2016, 10 AM - 3 PM, RCSOB, Rm. 105,

HBG., Contact: Mark Brojakowski 772-3429, RESCHEDULED: 10 AM - 3 PM on 5/17/16 at Delaware Conf. Rm., RCSOB, 16th Fl., HBG.

Appeared in: ***Patriot-News*** on Thursday, 04/14/2016

STATE PUBLIC SCHOOL BUILDING AUTHORITY
PENNSYLVANIA HIGHER EDUCATIONAL FACILITIES AUTHORITY
Notice of the Meeting of the Board to be Held
April 21, 2016

Notice was in letterform, as follows:

This letter advises that a meeting of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority Boards will be held on **Thursday, April 21, 2016**, at **10:30 a.m.**, in **Room 515 North Office Building, Harrisburg**, Pennsylvania, for the purpose of: (a) approving certain projects for financing; and, (b) consideration of such other matters as may properly come before the Board.

Enclosed herewith is a copy of the notice that has been posted on the bulletin board in the Authority office, in accordance with Act No. 213, 1957.

I would appreciate it if you would make the appropriate notation on the attached slip, indicating whether or not you plan to be present at the meetings and return same to us.

Sincerely,

/s/ Robert Baccon

Robert Baccon
Executive Director

Enclosures

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Appendix A

Harrisburg, PA

I CERTIFY that the notice on the previous page for the April 21, 2016, meetings was dispatched to the following on April 6, 2016, at the addresses indicated, constituting all of the members of the Board of the State Public School Building Authority and the Pennsylvania Higher Educational Facilities Authority.

Thomas W. Wolf, Governor of Pennsylvania
225 Main Capitol Building, Harrisburg, PA
Steven S. Heuer, Proxy for Governor Wolf
333 Market Street – 18th Floor, Harrisburg, PA
Lloyd K. Smucker, Designated by the President Pro Tempore of the Senate
351 Main Capitol Building, Harrisburg, PA
Andrew E. Dinniman, Designated by the Minority Leader of the Senate
182 Main Capitol Building, Harrisburg, PA
Stanley E. Saylor, Designated by the Speaker of the House of Representatives
105 Ryan Building, Harrisburg, PA
Anthony M. DeLuca, Designated by the Minority Leader of the House of Representatives
115 Irvis Office Building, Harrisburg, PA
Timothy A. Reese, State Treasurer
129 Finance Building, Harrisburg, PA
Eugene A. DePasquale, Auditor General
229 Finance Building, Harrisburg, PA
Curtis M. Topper, Secretary of General Services
515 North Office Building, Harrisburg, PA
Pedro A. Rivera, Secretary of Education
333 Market Street - 10th Floor, Harrisburg, PA

GIVEN under my hand and seal this 6th day of April 2016.

/s/ Robert Baccon

Robert Baccon, Executive Director
State Public School Building Authority
Pennsylvania Higher Educational Facilities Authority